

## MINUTES – MAY 24, 2004

The Caswell County Board of Commissioners met in special session at the Historic Courthouse in Yanceyville, North Carolina at 6:00 p.m. on Monday, May 24, 2004. The purpose of the meeting was for the presentation of the Proposed 2004-2005 Budget for Caswell County. Members present: Mel O. Battle, Chairman, Larry G. Hamlett, Vice-Chairman, Nathaniel Hall, Jack W. Hooper, Cathy W. Lucas, Kenneth D. Travis, and George W. Ward, Jr. Also present: Jeffrey H. Earp, County Manager, Gwen Vaughn, Finance Officer, and Gordon Bendall representing The Caswell Messenger. Wanda P. Smith, Clerk to the Board, recorded the minutes.

### MOMENT OF SILENT PRAYER

Chairman Battle opened the meeting with a Moment of Silent Prayer.

### PRESENTATION OF PROPOSED BUDGET FOR 2004-2005

Mr. Jeff Earp, County Manager, presented to the Board the proposed fiscal year 2004-2005 Annual Budget. Mr. Earp presented his Budget Message and summary of General Fund Revenues and Expenditures. Mr. Earp stated that this budget strives to overcome deficiencies in the County Budget over the last couple of years in regards to upkeep of physical facilities, lagging technology, and provisional budgeting. Mr. Earp reviewed his Budget Objectives that guided the development of the 2004-2005 budget. Mr. Earp informed the Board that the total General Fund Budget for 2004-2005 is \$20,638,423 and this includes new mandated expenditures, addressing staffing needs of County Departments, and reduced interest earnings revenues not previously included in the budget.

Mr. Earp presented the following key points for the Board to keep in mind as they review the proposed budget:

- 1) 2004-2005 Tax Levy: This year is the revaluation year for County real property. The re-evaluation yielded an approximate increase of 16% value in the tax base. While our tax rate dropped from 66.11 cents per \$100 valuation to 61 cents per \$100 valuation, the budget reflects a revenue-positive position with its tax rate. If this budget had been revenue-neutral, the tax rate would have been 55.75 cents per \$100 valuation.
- 2) The General Fund Revenue Sources: The General Fund receives revenue from a number of sources, some are restricted, some are non-restricted, and some are local tax dollars, some are not. A reduction in General Fund expenditures may not result in a similar reduction in local dollars required.
- 3) Budget & Tax Decrease: Due to the re-evaluation, we were able to generate sufficient funds to allow us to decrease the tax rate from 66.11 cents per \$100 valuation to 61 cents per \$100 valuation.

- 4) Local Revenues in the General Fund Budget: The Budget Message provides an overview of the budget. A full review of the comprehensive budget will provide answers as to where the discretionary portions of the General Fund budget are allotted.
- 5) What a Penny is Worth: Each penny on the tax rate will generate \$127,693 in General Fund revenue.
- 6) Solid Waste Fund: The Solid Waste Fee will decrease to \$83 per household.

Mr. Earp presented a table which outlined projected expenditures by department and for some agencies that are partially funded through the General Fund. Mr. Earp stated that Caswell County also provides local funding for services outside of County departments and presented a table indicating those that receive a lump sum General Fund payment from the County.

Mr. Earp reported that the budget request from Caswell County Schools is based upon: 1) capital needs; 2) increase in supplement to remain competitive in today's job market; and 3) increased utility costs. Mr. Earp added that increasing this budget was necessary in order to assure that Caswell County's students receive more than just the basic education needed to be successful in society. Mr. Earp reported that Caswell County Schools is the largest recipient of local tax dollars of any agency or department in the budget. Mr. Earp added that in addition to General Fund Revenues, the Schools also receive the Restricted Fund 40 & 42 contributions that the State designates for school capital reserve funds. Mr. Earp noted that this year these funds are expected to slightly increase. Mr. Earp stated that payments on two outstanding school bonds are included in this year's budget in the amount of \$1,059,566.

Mr. Earp reviewed the Debt Service Installment payments that are included in the proposed budget.

Mr. Earp reviewed the Enterprise Funds which include the Caswell Division of Transportation (CDOT) and the Solid Waste Department.

Mr. Earp reviewed the School Capital Reserve Fund which consists of monies derived from restricted portion of the two half-cent sales taxes funds (Funds 40 & 42). Mr. Earp stated that these funds are reserved by State Statute to be invested in capital projects within local school systems. Mr. Earp reported that currently this fund is being used to make payments on the two outstanding schools bonds (North & South Elementary and Dillard Middle School). Mr. Earp stated that it will be very difficult in 2004-2005 to rely upon the School Capital Reserve for other capital needs and this may place a heavy burden upon the General Fund in future years until the Reserve Fund Balance is built up and can once again meet other capital needs.

Mr. Earp reviewed Revenues and stated that he is projecting an increase in fees and other direct revenues. Mr. Earp stated that sales tax revenues are projected to increase at a rate of 3.5%, which is slightly less than predicted, but a level at which he feels secure in projecting. Mr. Earp reported that with a proposed tax rate of 61 cents per \$100

valuation, property tax revenues would increase \$986,302 over the 2004-2004 levy. Mr. Earp noted that the proposed budget does not reduce Fund Balance to cover projected expenditures.

Mr. Earp stated that the recommended budget presents a reasonable plan for meeting the stated objectives, as well as the ability to fund some needs of Caswell County Schools as they too face may capital needs that have been neglected due to recent budget restraints.

The Board agreed to hold a budget work session on Thursday, June 3, 2004, at 2:00 p.m.

#### THANK YOU NOTE

Chairman Battle read a thank you note from Dr. H. James Owen, President, Piedmont Community College for flowers that were sent to him from the Board of Commissioners and Administrative Staff after his recent surgery.

Chairman Battle informed the Board that a wreath of flowers was sent to the family of Ms. Kitty Blackwell, wife of former Commissioner John H. Blackwell upon her recent death.

#### FIREFIGHTER/FIRST RESPONDER REQUEST

Chairman Battle reported that a Firefighter/First Responder in the County recently became sick and was transported to a hospital by Caswell County EMS. Chairman Battle stated that this individual has been a Firefighter/First Responder for Caswell County for 14 years and has answered many calls. Chairman Battle noted that this individual is currently unemployed and has no health insurance. Chairman Battle stated that this individual received a bill from EMS in the amount of \$329. Chairman Battle added that this individual requested that he bring this matter before the Board for their consideration. Chairman Battle requested that the Board members share their feelings concerning this request with him or the County Manager.

#### BYHS GRADUATION ANNOUNCEMENT

Chairman Battle announced that Bartlett Yancey High School's Graduation Ceremony would be held on Saturday, May 29, 2004, at 10:00 a.m. at the High School.

#### THE ADJOURNMENT

At 6:30 p.m. Commissioner Hamlett moved, seconded by Commissioner Ward to adjourn the meeting. The motion carried unanimously.

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Wanda P. Smith  
Clerk to the Board

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M. O. Battle  
Chairman

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